

bvse market report: plastics, April 2020

1 General economy with reference to the plastics industry

The corona crisis is causing turmoil on the markets for standard plastics. For example, the demand for packaging plastics for foods, medicine products and other consumer goods in particular is rising. The stronger demand even compensates for the falls in demand in other areas, such as car manufacture. In spite of the increased demand for packaging plastics, price falls were marked in March. The price falls are caused by the low crude oil prices, which are pulling down the precursor product prices and thus also the plastic prices.

2 The primary plastics market - standard plastics

In KI – Plastics Information Europe, see www.kiweb.de, the price index for standard plastics, Plastixx ST, shows that the current mean index value of 1,989 points has fallen below the minimum of 2016 (around 2,050 points) and corresponds to the minimums of 2011 (around 2,000 points) and 2012 (around 1,985 points). Only the price collapse in early 2015 to around 1,820 points was even more marked.

In March 2020 the standard plastics were quoted in EUWID, see www.euwid-recycling.de, an average 43 €/t lower than in the previous month, see Table 1. In a year-on-year comparison, it can be seen that the average quotes from March 2020 (1,027 €/t) were 213 €/t lower than those of the previous year (1,240 €/t). In March, all prices for standard plastics - with the exception of PVC - fell: LDPE -40 €/t, LLDPE -40 €/t, HDPE -53 €/t, PP -40 €/t and PS -100 €/t. Sales of PVC in the construction sector are still satisfactory in spite of the crisis. Renovations in the domestic sector are stabilising demand for PVC windows, for example.

The demand for packaging PET is high because of the corona crisis. Many drinks containers are being stored by private consumers. The increased demand for PET drinks bottles in particular was met due to well-filled warehouses and sufficient imports. Packaging PET was quoted at an average price of 1,025 €/t in March, thus 35 €/t lower than in the previous month. Or put another way, packaging PET is currently quoted below the lowest reference price of the last four years of 1,038 €/t of September 2016.

Table 1: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	March 2020	Feb. 2020	Jan. 2020	Dec. 19	Nov. 19
LDPE film grade	930- 1010	970- 1050	980- 1050	980- 1050	980- 1050
LLDPE film grade	950- 1040	990- 1080	990- 1080	990- 1080	990- 1080
HDPE injection moulding	920- 1000	990- 1050	1090- 1150	1090- 1150	1090- 1150
HDPE blow moulding	950- 1030	1010- 1070	1110- 1170	1110- 1170	1110- 1170
PS crystal clear	1120- 1170	1220- 1270	1180- 1240	1180- 1240	1230- 1290
PS high impact	1220- 1270	1320- 1370	1280- 1340	1280- 1340	1330- 1390
PP homopolymer	1090- 1140	1130- 1180	1180- 1230	1180- 1230	1180- 1230
PP copolymer	1140- 1190	1180- 1230	1230- 1280	1230- 1280	1230- 1280
PVC tube grade	800- 840	800- 840	800- 840	800- 840	800- 840
PVC film/cables	840- 880	840- 880	840- 880	840- 880	840- 880
Average Price	1027 ± 137	1070 ± 158	1097 ± 162	1097 ± 162	1107 ± 174

3 Secondary plastics markets in the plasticker price index

The plasticker internet platform, see <http://plasticker.de>, publishes quotes on an hourly basis. The present market report indicates the final monthly prices. It is only possible to represent the preliminary prices for April 2020; they will not become definitive until early May. The two quotes stated for April 2020 below only an interim situation, see the left-hand column in Table 2 and Table 3.

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3.1 plasticker: Standard plastics

There has been little movement in standard plastics: The prices for standard plastics are more or less unchanged in comparison to the previous month, see Table 2. The average price for March 2020 (473 €/t) was 58 €/t below that of the previous year (531 €/t). The following price changes were more than ± 40 €/t: LDPE bale goods +60 €/t, LDPE regrind +60 €/t, PP bale goods -50 €/t, PVC_U -120 €/t and PET bale goods +60 €/t. The March price index is showing subdued demand for plastic. A 5-year low was reached for the prices for HDPE regrind at 520 €/t, HDPE regranulates at 720 €/t, LDPE regranulates at 590 €/t and PS regranulates at 750 €/t.

At 501 €/t, the preview of the April quotes shows an average price that is 28 €/t higher than in the previous month (473 €/t). 2. The April 2020 price index, 16.04.2020, shows subdued demand for plastic.

Table 2: Standard plastics price according to plasticker; listed in €/t.

	April⁶ 20	March 20	Feb. 20	Jan. 20	Dec. 19	March 19
HDPE regrind ¹	530	520	550	570	600	550
HDPE regranulates ⁵	760	720	730	750	820	890
LDPE bale goods ²	230	220*	160*	160*	90	220
LDPE regrind ¹	540	530	470	480	510	530*
LDPE regranulates ⁵	650	590	600	600	680	750
PP bale goods ³	180	190*	240*	180*	150	230
PP regrind ¹	520	520	530	560	570	580
PP regranulates ⁵	860	860	870	790	790	830
PS regrind ⁴	610	610	570	630*	600	610
PS regranulates ⁵	850	750	750	840	810	980
PVC_P regrind ¹	260*	210*	200*	290*	260*	270*
PVC_U regrind ¹	440*	360*	480	510*	460*	390*
PET bale goods	210	230*	170*	130*	210*	240
PET regrind mixed colours	380	310	330	370	400	370
Average Price	(501)	473	475	490	496	531

*: Supply figure too low to attain statistical significance; ¹: equivalent to the grade "post-industrial mixed colours"; ²: equivalent to K49; ³: equivalent to K59; ⁴: equivalent to "standard, mixed colours"; ⁵: equivalent to the grade "regranulates, black"; ⁶: preview (may be amended by additional quotes)

3.2 plasticker: Technical plastics

Static markets for technical plastics: In March 2020 the average price for technical plastics in plasticker is 1,208 €/t and thus almost unchanged in comparison to the previous month (1,202 €/t), see. Table 3. A comparison of the average prices from March 2020 (1,208 €/t) with those of the previous year (1,311 €/t) shows a difference of 109 €/t. The March price index is showing subdued demand for plastic. These plastics show price changes of more than ± 70 €/t: PBT regranulates +100 €/t, PA 6 regranulates +90 €/t, POM regrind -100 €/t and POM regranulates +230 €/t.

At 1,268 €/t, the preview of the April quotes of 16.04.2020 shows an average price that is 60 €/t higher than in the previous month (1,208 €/t). The April price index is showing subdued demand for plastic.

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Table 3: Technical plastics price according to plasticker; listed in €/t.

	April⁶ 20	March 20	Feb. 20	Jan. 20	Dec. 19	March 19
ABS regrind	620	620	630	620	600	660
ABS regranulates ⁵	1070	1240	1380	1480	1250	1190
PC regrind	900	880	880	890	890	850
PC regranulates ⁵	1940	1610	1650	1530	1820	1950
PBT regrind	460	460	460	480	510	450
PBT regranulates	1900	1640	1540	1570	1600	1750
PA 6 regrind	840	850	860	540	880	880
PA 6 regranulates ⁵	1890	1830	1740	1750	1830	1890
PA 6.6 regrind	910	890	890	880	920	910
PA 6.6 regranulates ⁵	2040	2070	2120	2150	2200	2550
POM regrind	640	580	680	680	710	680
POM regranulates ⁵	2010	1820	1590	1440	1510	1970
Average Price	(1268)	1208	1202	1168	1227	1311

⁵: equivalent to the grade "regranulates, black"; ⁶:preview (may be amended by additional quotes).

4 Evaluation of the secondary plastic markets

The plasticker price index mainly quotes regrinds and regranulates. And these grades are quoting stable prices, although the current disruptions for plastic waste, which is the bale goods here, did not emerge in March. In contrast to this, EUWID reflects the distortions on the market well. Here, the prices for plastic film waste have fallen by an average 23 €/t. For recyclates, EUWID quotes only the regrinds, which are quoted at an average 27 €/t lower.

4.1 Plastic wastes

The collection points are struggling with sharply falling prices for their plastic wastes. Further price falls, especially for film waste, are expected in April. Sufficient capacities are available again in the waste incineration plants, meaning that lower grade plastic waste, such as mixed plastics or plastics from construction and demolition, can be conveniently disposed of in the waste incineration plants.

The waste exports abroad are falling markedly. Moving plastic wastes abroad to the detriment of the recyclers is hardly possible any more. Hardly any HGV driver is prepared to join a waiting queue on the border lasting several days.

In March, the EUWID price index "Waste Plastics in Germany" identified marked price drops for all of the grades quoted. Production waste has fallen by an average 22 €/t for PE, 23 €/t for PP, 40 €/t for PS and 19 €/t for PVC; only PVC windows are quoting at stable prices.

The PE post user wastes: film wastes quoted as an average 20 €/t lower. The EUWID price index for waste plastic March 2020 showed the following average EUWID quotes for PE post user films: LDPE shrink hoods natural 330 €/t, LDPE shrink hoods mixed colours 80 €/t, thin film transparent natural 120 €/t, thin film transparent coloured -13 €/t, LDPE agricultural film - 50 €/t, commercial mixed film (90/10) 45 €/t and commercial mixed film (80/20) 13 €/t.

4.2 Plastic recycling:

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The plastic recyclers are eroding various markets. For example, there is strong demand for recyclates in certain areas, whereas sales in car manufacture are dwindling. The plastic wastes that arise in Germany are now also recycled in Germany. The domestic sales of recycled products for construction have changed only slightly, whereas the sales of recycled products for underground construction are falling.

The sales of recyclates abroad are greatly limited due to the restrictions when crossing borders. In particular, mixed plastic recyclers who have established stable sales markets for their products abroad are affected by the restricted export of goods.

The price falls for primary grades are also pulling the prices of recyclates down. However, the price falls for recyclates are lower than those for virgin grades. Crates have fallen by an average 20 €/t. In March 2020 PE regrinds, in this case HDPE mixed colours, cost 425 €/t, HDPE natural 590 €/t, LDPE mixed colours 400 €/t and LDPE natural 590 €/t. HDPE crates sorted according to colour are quoted at 540 €/t and HDPE crates mixed colours at 425 €/t. As far as the PP regrinds are concerned, mixed colour homopolymer is traded at 390 €/t, natural homopolymer at 550 €/t, mixed colour copolymer at 390 €/t and natural copolymer at 550 €/t. PS regrinds are quoted as follows: standard mixed colours 380 €/t, standard crystal clear 525 €/t, standard white 515 €/t, high-impact mixed colours 380 €/t, high-impact black 465 €/t, and high-impact white 550 €/t.

The plastics recyclers' demand market: the recyclers decide without any restrictions on which grades they want to process. Recyclers benefit from the fact that the prices for their processing input are low. Adequate quantities of plastic wastes are available on the markets. The domestic sales of recyclates, in this case regrinds and regranulates, were still adequate in March; however the trend is towards lower demand in April. The plastics recyclers help in ensuring that structural shortages of virgin grades can be compensated for,

4.3 PET Recycling

PET recycling on the up? The demand for PET is high. Private consumption is pushing up demand for PET, especially in the food sector. On the one hand, more drinks are being consumed and, on the other, more drinks containers are being stored. However, the higher consumption of drinks is also causing greater volumes of used bottles. In addition, the demand for PET recyclates, in this case regrinds and regranulates, is rising. And finally, fibre processing also has increased demand for PET recyclates since virgin grades are only being imported to a limited extent.

However, falling virgin grade prices are also depressing those for recyclates. The March quotes for used PET deposit bottles remain largely unchanged in comparison with those of the previous month.

5 Explanation on the price quotes

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in EUWID Recycling and Disposal see www.euwid.de, or in EUWID Plastics www.euwid-kunststoff.de. EUWID: No guarantee for any of the prices.; prices ex station. As a rule, the prices quoted refer to quantities in excess of 20 tons.

The quotes for secondary prices, which are updated on an hourly basis, can be calculated using the price lists that are derived from the quotations published in the raw material exchange plasticker, see www.plasticker.de. The prices listed in this index are quoted without reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary goods. The term 'bale goods' refers to waste plastics only. Further-

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more, plasticker does not distinguish between the following grades: transparent, mixed colours or colour-separated. Therefore, the information provided by plasticker may indicate different market behaviour than the prices quoted by EUWID

Bonn, Tuesday, 28. April 2020
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